

ENROLLED ORIGINAL

## A RESOLUTION

15-381

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 16, 2003

To approve tax increment financing for a hotel project at 1000 K Street, N.W.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Tax Increment Revenue Bonds 1000 K, L.L.C. Project Approval Resolution of 2003".

Sec. 2. Definitions.

For the purpose of this resolution, the term:

- (1) "Bonds" means the District of Columbia tax increment revenue bonds, notes, or other obligations (including refunding bonds, notes, and other obligations), in one or more series, authorized to be issued pursuant to this resolution.
- (2) "Chief Financial Officer" means the Chief Financial Officer of the District of Columbia.
- (3) "Council" means the Council of the District of Columbia.
- (4) "Development Agreement" means the Development Agreement between the District and Development Sponsor setting forth the terms and conditions upon and pursuant to which the District will issue the Bonds and Developer will develop the Project.
- (5) "District" means the District of Columbia.
- (6) "Project" means the financing, refinancing, or reimbursing of costs incurred for the acquisition, construction, installing, and equipping of a 383 room upscale Embassy Suites hotel with 165 parking spaces, pool, fitness center, restaurant, and meeting rooms, on land described as Lot 23 in Square 343 in the District of Columbia, all subject to and in accordance with the Development Agreement.
- (7) "Tax increment" has the same meaning as given the term in the District of Columbia Home Rule Act of 1973, approved December 24, 1973 (87 Stat. 777; D.C. Official Code § 1-201.01 *et seq.*).

Sec. 3. Establishment of TIF area; allocation of tax increments; approval of development agreement.

- (a) There is hereby established the "1000 K, L.L.C. Project TIF Area," which shall

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consist of Lot 23 in Square 343, as shown on the tax rolls of the District maintained by the Office of Tax and Revenue as of the date hereof.

(b) There is hereby allocated to the Project 100% of the real property tax increment and 100% of the sales tax increment attributable to the 1000 K, L.L.C. Project TIF Area portion of the Downtown TIF Area. The available real property tax increment shall be calculated based upon the assessed value of Lot 23 in Square 343 as of January 1, 2003, as certified by the Chief Financial Officer. The available sales tax increment shall be calculated based upon the sales tax revenue for calendar year 2002, as certified by the Chief Financial Officer. The establishment of the 1000 K, L.L.C. Project TIF Area is subject to the provisions of the Reserve Agreement and the associated allocation of real property tax increment and sales tax increment is subordinate to the allocation of Available Increment to the Budgeted Reserve, all as more fully described in the Reserve Agreement. The termination date for the allocation of the real property tax increment and the sales tax increment authorized by this paragraph shall be the earlier of: (1) the final maturity date of the Bonds; or (2) the date on which all of the Bonds are paid or provided for and are no longer outstanding.

(c) The Development Agreement is hereby approved in substantially the form submitted to the Council. The Mayor and the Chief Financial Officer are hereby authorized to execute and deliver the Development Agreement on behalf of the District. The Mayor and the Chief Financial Officer are further authorized to execute and deliver on behalf of the District any amendments or supplements to the Development Agreement that may be determined by the Mayor and the Chief Financial Officer to be in the best interests of the District and consistent with the purpose and intent of this resolution, as may be provided in the Development Agreement. The execution by the Mayor and the Chief Financial Officer of any amendment or supplement to the Development Agreement shall be conclusive evidence of the determination.

Sec. 4. Bond terms; execution.

(a) The Council hereby approves the following summary of the terms of the Bonds to be issued to pay development costs associated with the Project:

(1) The Bonds shall be issued pursuant to the provisions of certain financing documents.

(2) The aggregate principal amount of the Bonds to be issued hereunder shall not exceed \$11 million, and shall be the amount necessary to fund a portion of the eligible development costs of the Project (other than financing costs), plus financing costs and costs of issuance as determined by the Chief Financial Officer.

(3) The interest rate or rates on the Bonds shall be the rate or rates determined by the Chief Financial Officer to be necessary to sell the Bonds, but the rate on any portion of the Bonds bearing interest shall not exceed 5% for the tax-exempt Bonds.

(4) The final maturity of the Bonds shall be the maturity determined by the Chief Financial Officer to be necessary to sell the bonds, but shall not exceed 15 years for any series of the Bonds, and the debt service on the Bonds shall be structured in such manner that it will not

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exceed in any year the amount of the tax increments allocated to the Project projected to be received by the District during such year.

(5) The Bonds shall be secured by a pledge of the tax increments allocated to the Project pursuant to section 3(b).

(b) The Bonds may have any other terms and conditions consistent with this resolution and the Tax Increment Financing Act of 1998, effective September 11, 1998 (D.C. Law 12-1213; D.C. Official Code § 2-1217.01 *et seq.*).

(c) The Bonds shall be executed in the name of the District and on its behalf by the manual or facsimile signature of the Chief Financial Officer, or an authorized delegate of the Chief Financial Officer, and attested by the Secretary of the District of Columbia. The official seal of the District of Columbia, or a facsimile of it, shall be impressed, printed, or otherwise reproduced on the Bonds.

Sec. 5. Effective date.

This resolution shall take effect immediately.